

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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In the Matter of )  
)  
)

Application by SBC Communications )  
Inc., Michigan Bell Telephone Company, )  
and Southwestern Bell Communications )  
Services, Inc. for Provision of In-Region, )  
InterLATA Services in Michigan )  
\_\_\_\_\_

WC Docket No. 03-16

**JOINT REPLY DECLARATION OF SARAH DEYOUNG AND SHANNIE MARIN**

1. My name is Sarah DeYoung. I previously submitted declarations in this proceeding with Walter Willard on OSS issues and with Timothy Connolly on line sharing issues. My background and credentials are set forth in the joint declaration I filed on February 6, 2003 with Walter Willard on OSS issues in this proceeding.
2. My name is Shannie Marin. I am a Manager with AT&T. In that capacity, I am responsible for functioning as a liaison between the 13-state SBC companies and various AT&T organizations, including Access and Carrier Billing, Product Delivery and Product Marketing, to ensure that AT&T's business requirements are met. I am a graduate of the University of San Francisco, California. I have over 28 years of experience with AT&T, and have been involved in local market negotiations for the past seven years. My primary areas of negotiations include negotiating AT&T's facility-based and Unbundled Network Elements ("UNEs") billing and recording requirements, E-911, Interconnection contract compliance, Operator Services, Subscriber listings, and VoiceMail.

## **I. PURPOSE AND SUMMARY OF DECLARATION**

3. This reply declaration supports the comments submitted by other CLECs in this proceeding regarding ongoing problems with SBC's wholesale billing.<sup>1</sup> When Ameritech Michigan first sought Section 271 approval more than five years ago, this Commission rejected that application in part because Ameritech Michigan could not provide accurate and timely bills. *Michigan 271 Order ¶¶* 200-03. Notwithstanding the passage of time, SBC still cannot provide accurate and timely bills as required by Section 271. First, SBC's ongoing inability to provide timely and accurate line loss notifications ("LLN") has caused AT&T and other CLECs to continue billing former customers, leading to double billing. Second, the late line loss notices have caused AT&T to question whether SBC is providing AT&T with accurate wholesale bills. SBC told AT&T that a January 2003 "data bash" would determine the extent to which the LLN problems have caused errors in the wholesale bill but now claims that the "data bash" did not address the LLN problems, which still continue. The "data bash" did, however, demonstrate pervasive problems with SBC's wholesale billing. SBC has been charging over 138,000 UNE-P circuits (out of fewer than one million UNE-P customers) incorrectly on CLEC wholesale bills, a staggering number of errors that makes a mockery of SBC's claims about the efficiency of its billing operations.

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<sup>1</sup> See WorldCom 12 (major discrepancies in number of transactions submitted to SBC and number billed by SBC); Z-Tel 3-6 (problems with line loss notifications have led to over 7000 double billing situations in past two years); Mich. CLEC Assoc. 11-12 (58% of billing entries were inaccurate); TDS Metrcom 25-26 (ongoing problems with SBC bills).

**II. SBC DOES NOT PROVIDE ACCURATE AND TIMELY BILLING INFORMATION TO CLECS.**

4. To comply with its obligations under checklist item 2 of Section 271, SBC must demonstrate that it provides CLECs with complete, accurate, and timely reports on service usage of CLEC customers and complete, accurate, and timely wholesale bills.

*Pennsylvania 271 Order* ¶ 13; *Qwest 9-State 271 Order* ¶ 115. In SBC/Ameritech Michigan's prior Section 271 application to this Commission over five years ago, this Commission found that SBC/Ameritech's billing systems were inadequate due to SBC/Ameritech's failure to issue prompt order completion notices, which led to double-billing of customers by Ameritech and CLECs. *Michigan 271 Order* ¶ 200. The Commission rejected Ameritech's explanations and ruled that "the double-billing problem is compelling evidence that Ameritech's OSS for ordering and provisioning for resale services is not operationally ready" and that Ameritech was therefore "not providing nondiscriminatory access to OSS functions." *Id.* ¶ 203.<sup>2</sup> The Commission determined that "double-billing, as well as the problems associated with manual processing . . . constitute problems fundamental to Ameritech's ability to provide nondiscriminatory access to OSS functions. . . . [W]e do find that, in and of itself, double-billing is a serious problem that has a direct impact on customers and, therefore, must be eliminated." *Id.*

5. The double billing problems described in the *Michigan 271 Order* continue today for AT&T and its UNE-P customers. Over the past year, SBC's ongoing inability to provide accurate and timely LLNs has caused significant billing problems for AT&T and

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<sup>2</sup> The Commission's order noted that Ameritech had identified 435 customers who were double

other CLECs, including double billing of customers that have migrated to other carriers.

The LLN is a critical component of the billing system because it alerts the CLEC that a customer has migrated to another carrier or otherwise left the carrier's service. Upon receipt of this notification, the CLEC issues a final bill to the customer and closes out the customer's service. With SBC's unstable LLNs, however, AT&T has not received timely notice of customer migrations and has continued billing departed customers, resulting in double billing by AT&T and by the customer's new service provider.

6. Other CLECs have encountered the same problem. For example, Z-Tel, with a Michigan customer base of 22,000, has received over 7500 double billing complaints, largely associated with SBC's inability to provide timely and accurate LLNs. Z-Tel 5 & Walters Dec. ¶¶ 7-9. Some of these complaints were filed with state regulatory commissions, state consumer agencies, and this Commission. Resolving these complaints before these agencies is a costly and time consuming process, and the filed complaints symbolize the damage to a CLEC's reputation caused by double billing. The appearance that the CLEC is seeking to continue to collect for ongoing service from a former customer is nothing less than crippling to a CLEC's reputation as a reliable service provider.

7. The basic problem is that SBC has *never* been able to provide accurate and timely LLNs to AT&T and other CLECs. In December 2001, the Michigan Public Service Commission declared that SBC's inability to provide accurate line loss notification "has a great potential effect on competition for local exchange service and is one of the most

serious of the problems raised in this case. . . . Failure to provide timely notice of migrations is an egregious and anticompetitive neglect of [SBC]'s duty. This problem, including both CLEC-to-CLEC migrations and Winback changes, must be resolved promptly.”<sup>3</sup> The Michigan PSC directed SBC to report in 20 days on the steps it was taking to resolve the problem, to provide timeframes for notifications, and confirmation that SBC had provided notice to the affected customers that the continued billing after the switch in service was SBC's fault and not the fault of the CLECs.<sup>4</sup>

8. Notwithstanding the Michigan PSC's directive, SBC has been unable to resolve the problems with its LLN and provide timely and accurate LLN during the past 14 months. The Initial DeYoung/Willard Declaration (at ¶¶ 109-32) and Reply DeYoung/Willard Declaration catalog the ongoing LLN problems that AT&T has experienced, and the comments of other CLECs confirm the continuing nature of this problem.<sup>5</sup> Indeed, in late January 2003, after the filing of SBC's application in this case, SBC changed the format of LLN information it provides to CLECs without prior notice and sent WorldCom approximately 3000 LLNs that could not be read by WorldCom's systems.<sup>6</sup> SBC has also announced that it is disbanding the group established to address and resolve LLN problems, even though the group has clearly not completed its task.<sup>7</sup>

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<sup>3</sup> Opinion and Order, *In the Matter, on the Commission's Motion to Consider Ameritech Michigan's Compliance with the Competitive Checklist in Section 271 of the Federal Telecommunications Act of 1996*, Case No. U-12320 (12/20/01), at 6.

<sup>4</sup> *Id.* at 6-7.

<sup>5</sup> See, e.g., WorldCom 10-11; Z-Tel 3-5.

<sup>6</sup> WorldCom 11.

<sup>7</sup> WorldCom 4-5. SBC's most recent effort to address the LLN issue, its compliance plan filing on LLN, is merely a band aid, as it addresses only notification in the case of LLN problems, without addressing the root cause of the problems in the first place.

9. This inability to provide accurate and timely LLNs has undercut the integrity of SBC's billing process. The LLN is key to a CLEC's termination of its customers' service, and as noted above, without a timely and accurate LLN for customers migrating to another service provider, AT&T continues to bill those customers, resulting in billing both by the customers' new service provider and AT&T. Such double billing causes higher costs for AT&T in terms of time and effort to resolve the double billing problem and to issue the credits to customers. As noted above, equally significant is the harm to AT&T's reputation. AT&T as a new service provider in the local exchange market must seek to win new customers based on its reputation for reliability, and that reputation suffers if it becomes known that AT&T issues erroneous bills to customers that have left its service.

10. This is also an area in which SBC's performance measure data do not capture the extent of the problem. As the Department of Justice found in its Evaluation, "[t]he most relevant metric, MI4, is designed to determine whether bills are correctly being calculated according to SBC's billing tables. . . . Such a metric cannot, of course, show whether the underlying information about the lines themselves, for which the rates are then calculated, is accurate." DOJ Eval. 11 n.48. Moreover, SBC has only recently agreed, but has not yet implemented, a performance metric addressing LLN accuracy.

11. In addition to causing double billing, late line loss notices have the potential to affect the accuracy of the wholesale bill. SBC told AT&T that it would address the ongoing LLN issues as part of a special "data bash" of UNE-P billing records in January 2003. An issues list maintained by AT&T and provided to SBC after each meeting

details the contacts between AT&T and SBC on the LLN problem since July 2002, and in that chronology, SBC is listed as clearly stating (and never disputing) that the “data bash” would address the LLN problem and double billing.<sup>8</sup>

12. While the “data bash” had been under discussion for several months, SBC did not conduct the data bash until late January. In conversations preceding the “data bash,” SBC asked AT&T if it would be willing to discuss settling the billing issues, presumably in connection with late line loss notices.<sup>9</sup> AT&T responded that it could not possibly consider settlement offers until it had received information from SBC concerning the amounts at issue and supporting data.

13. SBC finally conducted the UNE-P billing “data bash” during the weekend of January 25-26, 2003. As discussed above, while this data bash was described to AT&T as pertaining to billing issues related to late line loss notices, SBC has stated elsewhere that the “data bash” had two goals. *See* Flynn Decl. ¶ 9 n.6. First, in 2001-02, SBC had converted UNE-P billing from the Ameritech Customer Information Service (“ACIS”) system to the CABS system and was conducting what it called a “post-implementation, quality assurance validation process to ensure synchronization of the CABS billing and provisioning databases.” SBC Accessible Letter CLECAM 02-509 (November, 21, 2002) (“SBC Reconciliation Accessible Letter”). SBC stated that it was comparing its CABS UNE-P records to its ACIS records used for provisioning to determine if its CABS

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<sup>8</sup> *See* AT&T Issues List, Item No. 4 (entries on 11/18/02, 12/17/02, and 1/10/03 discuss data bash in connection with LLN and double billing situation) (attached hereto as Confidential Attachment 1).

<sup>9</sup> *Id.* (11/18/02, 12/3/03, 12/17/02, 1/10/03, 1/17/03 entries reference possible settlement of issues).

UNE-P records were accurate and conformed to the information in the ACIS system.

Flynn Dec. ¶ 9 n.6. The SBC Reconciliation Accessible Letter also stated that any adjustments for added or dropped circuits would be reflected on the CLECs' next wholesale bill: "Should circuits be added or deleted from your accounts, appropriate Other Charges and Credits ("OC&C") Statements will be generated to properly reflect the billing. UNE-P CABS bills generated after the reconciliation will reflect these OC&C Statements . . . ." Second, in connection with the UNE-P conversion to CABS billing, SBC stated that it had removed non-billable UNE-P feature USOC codes from CABS UNE-P CSRs on a temporary basis in June 2002 to facilitate the ACIS-to-CABS conversion process. The second part of the "data bash" replaced those non-billable USOC codes on customer CSRs. Flynn Decl. ¶ 9 n.6; SBC Reconciliation Accessible Letter.

14. On February 5, SBC provided AT&T a one page UNE-P Reconciliation Financial Summary (the "Data Bash Summary"), which purports to show that AT&T owes SBC approximately \$1.36 million on a region-wide basis.<sup>10</sup> In response to

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<sup>10</sup> The Data Bash Summary provides AT&T-specific data on a region-wide and state-by-state basis and is attached hereto as Attachment 2. On a region-wide basis, SBC had added or dropped 58,000 circuits, and in Michigan had added 14,800 UNE-P circuits and had deleted approximately 8300 UNE-P circuits.

On a region-wide basis, SBC changed more than 6.3 million USOC codes relating to AT&T customers in the "data bash." Without information on the number of non-billable USOC codes added to the UNE-P CSRs, it is impossible to determine the number of USOC codes added or deleted as a result of SBC's "quality assurance" process.

In the Dash Bash Summary, the first column lists the CLEC, and for AT&T the data is broken out on a residential customer ("LOA-ATT") and business customer ("TPM-TCG") basis. The second column lists the number of USOC codes added to or deleted from customer CSRs. Many of these USOC codes are associated with circuits added or dropped in reconciling the UNE-P CABS records to the ACIS records, and a portion of the "USOCs Added" represent non-billable USOC codes restored to customer CSRs after being temporarily deleted last year. The



questions from DOJ, SBC also subsequently filed in this proceeding a one-page description of the “data bash” and a summary of its results.<sup>11</sup>

15. The one-page financial summary contained no supporting documentation for SBC’s claim that AT&T owes it almost \$1.4 million. Yet SBC made clear to AT&T that these charges would appear on the February and March wholesale bills. Moreover, SBC took the position that AT&T had waived its right to settle these disputed amounts because AT&T had been unwilling to consider settlement in December (when AT&T did not even have information on the amounts claimed to be owed, much less any supporting documentation).

16. After receipt of this information from SBC, AT&T wrote to a letter to SBC disputing the amount claimed by SBC and invoking the dispute resolution provisions of the AT&T/SBC Interconnection Agreement.<sup>12</sup> The AT&T Billing Letter highlighted SBC’s failure to provide any supporting information to justify its claim as to amounts allegedly owed and disputed SBC’s right to collect for amounts that it had failed to bill on a timely and accurate basis and without supporting information, as required by the AT&T/SBC Interconnection Agreement. The AT&T Billing Letter noted that the “data bash” was yet another failed attempt to address the ongoing billing problems associated

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third column sets forth the results of the UNE-P CABS reconciliation to the ACIS records. The fourth and fifth columns set forth the Other Charges and Credits, which are generally the nonrecurring cost of the added and deleted USOCs. These charges are listed as debits, credits, and on a net basis. The final two columns set forth the prospective monthly recurring charges for the circuits and USOCs added and deleted as a result of the reconciliation process.

<sup>11</sup> Letter from Cynthia J. Mahowaid, SBC, to Michael Hirrel, Antitrust Division, DOJ (Feb. 15, 2003) (“SBC Data Bash Letter”) (attached hereto as Attachment 3).

<sup>12</sup> See Letter from Sarah DeYoung, AT&T, to Thomas Harvey, SBC (February 24, 2003) (“AT&T Billing Letter”) (attached hereto as Attachment 4).

with LLNs and noted the ongoing impact of SBC's line loss notification problems on AT&T's billing.<sup>13</sup> AT&T also disputed SBC's claim that AT&T had somehow surrendered its right to contest or negotiate the claimed amounts, particularly as SBC had never made a settlement offer and had failed to provide supporting information to allow AT&T to review the matter.

17. The day after AT&T sent its letter to SBC, SBC provided limited, inadequate supporting documentation. The documentation consisted of a list of telephone numbers sorted by each carrier's ACNA with a notation that circuits had been added or dropped and a separate file of adjusted USOC codes. The list of telephone numbers merely provides which circuits were added or dropped, but does not provide the date on which the change was made. Without that date, it is impossible to determine if SBC has billed the matter correctly. The listing of affected USOC codes is similarly of limited use because the changed USOC codes are not correlated with telephone numbers. Moreover, it is not clear that SBC has applied the correct rates to the USOC charges, as these rates changed during the period covered by the reconciliation, and the failure to charge the proper rate over time would result in misbilled amounts.

18. SBC responded to the AT&T Billing Letter on February 28, 2003.<sup>14</sup> In that letter, SBC stated for the first time that the "data bash" "was not related to line loss notices," notwithstanding the statements made by SBC personnel dealing directly with AT&T on

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<sup>13</sup> The AT&T Billing Letter noted that SBC had also "intentionally withheld Billing Completion Notices (BCNs) to AT&T while it was conducting its 'data bash' without CLEC knowledge or concurrence." This, of course, is a violation of SBC's change management obligations. *See generally* AT&T Comments 24-26.

<sup>14</sup> Letter from Becky Krost, SBC, to Sarah DeYoung, AT&T (February 28, 2003) (attached

the line loss issues in the July 2002-January 2003 timeframe. At this point, both because SBC had made conflicting representations to AT&T about the purpose of the “data bash” and because the underlying data provided by SBC is so inadequate, it is unclear whether erroneous billing associated with late line loss notifications is reflected, in whole or in part, within the “data bash” that SBC has conducted.

19. Indeed, while AT&T has only had limited opportunity to review the “data bash” supporting documentation, it appears that at least some of the telephone numbers for which AT&T received late line loss notices in November and December match telephone numbers included in the data bash. Moreover, in response to problems identified by BearingPoint Exception 74 (relating to line loss notices in the OSS test), SBC stated that some of the missing LLNs were due to a coding error which misprovisioned orders as new instead of conversion orders. Because these orders were erroneously coded as new, no LLN, late or otherwise, was ever sent to the losing carrier on these orders. While SBC has claimed that this error has been fixed, SBC's admission highlights the difficulty in determining the extent of the LLN problem and billing errors that result therefrom. If, in fact, there are a number of LLNs for which AT&T has never received an LLN, AT&T would have no way of knowing whether it has double billed the customer, whether those missing LLNs resulted in wholesale billing inaccuracies, or whether those missing LLNs were captured in the ACIS-to-CABS data bash.

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hereto as Attachment 5).

**III. SBC'S "DATA BASH" REVEALS MASSIVE PROBLEMS WITH SBC'S BILLING OPERATIONS.**

20. Even assuming that SBC is now correct in stating that its "data bash" was not designed to address the impact of its LLN failures, the results of the data bash are still of great concern to AT&T. SBC's "data bash" demonstrates that SBC has other profound billing problems. According to the SBC Data Bash Letter, approximately 76,000 UNE-P circuits were added and 62,000 UNE-P circuits were deleted for 37 CLECs in Michigan. That represents a total of 138,000 UNE-P circuits in a state with fewer than one million UNE-P lines. DOJ Eval. 11 n.47. This error rate represents a staggering number of customers that were not properly reflected in their CLEC's wholesale bills.

21. The "Circuits Deleted" represent lines that were still being billed by SBC to a CLEC even though the customers no longer received that CLEC's service. For AT&T, there were over 8300 "Circuits Deleted" in Michigan. If SBC is wrong, and some of these adjustments are related to late LLNs, then these lines represent potential double billing situations, as AT&T may not have received the LLN from SBC with the notice to cease billing such customers.

22. A different problem exists for the 14,800 "Circuits Added" to AT&T's wholesale bills for Michigan. These lines represent existing AT&T customers that SBC was not billing to AT&T.

23. In the SBC Data Bash Letter, SBC claims that the errors occurred because the ACIS provisioning records "did not match" the CABS billing records. As a result, "new service order activity on those circuits sometimes could not post mechanically, and would

fall out for manual handling.” SBC Data Bash Letter 2. As a result of the “data bash,” SBC claims that all the ACIS and CABS records have now been reconciled and that “future service order activity for these UNE-P circuits should post without the need of manual handling, and billing inaccuracies resulting from the lack of synchronization between ACIS and CABS on these UNE-P circuits should be eliminated.” *Id.* This is not correct. All the “data bash” has done is to reconcile two sets of internal SBC records; it did not address how these SBC records came to be inconsistent in the first place or examine the role of various problems with SBC’s systems, including the ongoing LLN problems, in the billing inaccuracies.<sup>15</sup> Until these issues are addressed, there can be no assurance that these billing problems are resolved, and this simply may be setting the stage for future “data bashes.”

24. The “data bash” also has a significant financial impact to affected CLECs. As SBC admits, the billing errors affected 37 Michigan CLECs. The 138,000 revised circuits are causing SBC to issue over \$16.9 million in billing changes (\$9.3 million in credits and \$7.6 million in debits) that must be reviewed by these CLECs to compare their wholesale bills with their customer’s activity. SBC seeks to spin the numbers to claim that the net impact is only \$1.7 million in credits, but that is not the relevant figure. First, as is painfully obvious from AT&T’s experience, not all of the 37 affected CLECs can expect to receive credits resulting from SBC’s errors. Second, regardless of whether

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<sup>15</sup> The “data bash” also does not reveal the full extent of SBC’s billing problems. Although the data reconciliation extends back to August 2001, SBC debited only those amounts as permitted by the AT&T/SBC Interconnection Agreement, which limits back billing to only 120 days in Michigan, Wisconsin, and Indiana and one year in Ohio and Illinois. Thus, if all circuits added and circuits deleted had been considered, the numbers of incorrectly billed circuits would have been higher still.

the amount to be adjusted is a debit or a credit, all of the changes must be reviewed by the affected CLECs to determine that the wholesale bills match the customer's records and activity. However, as noted above, SBC has not provided sufficient information to enable CLECs to perform that review. Moreover, such reviews involve substantial time and resources to conduct. The inevitable discrepancies resulting from these reviews will require the affected CLECs to negotiate individually with SBC and resort to the dispute resolution process, which can be very time consuming and costly. In short, CLECs will likely incur millions of dollars in expenses resolving these billing problems with SBC.

25. Without more detailed supporting information, it is impossible to draw conclusions about the degree of SBC's billing problems, except to state that the information to date demonstrates that these problems are substantial. Because the claimed debits owed to SBC are the result of its inability to provide timely and accurate wholesale bills, the appropriate remedy is for SBC to absorb these costs.

#### **IV. CONCLUSION**

26. SBC's continuing problems with inaccurate or untimely LLNs causing double billing and SBC's recent "data bash" show that SBC has not complied with its obligation to provide accurate wholesale bills to CLECs. SBC cannot be found to comply with this obligation until it can demonstrate that it can provide accurate and timely wholesale bills to AT&T and other CLECs.

## **VERIFICATION**

I declare under penalty of perjury that the facts stated herein are true and correct, to the best of my knowledge, information, and belief.

/s/ Sarah DeYoung  
Sarah DeYoung

Date: March 4, 2003

## **VERIFICATION**

I declare under penalty of perjury that the facts stated herein are true and correct, to the best of my knowledge, information, and belief.

/s/ Shannie Marin  
Shannie Marin

Date: March 4, 2003



**Attachment 1**  
**Redacted – For Public Inspection**

## Attachment 2

### UNE-P Reconciliation Financial Summary

All States

State	ACNA/CLEC	USOCs Added	USOCs Deleted
All States by CLEC			
	TPM - TCG	621,456	28,891
	LOA - AT&T	5,647,216	43,950

Circuits Added	Circuits Deleted
22,332	7,999
17,839	10,034

OC&C Debits	OC&C Credits	Net OC&C
\$2,238,751.46	(\$823,897.74)	<b>\$1,414,853.72</b>
\$632,505.81	(\$697,413.98)	<b>(\$64,908.17)</b>

New MRC Debits	New MRC Credits	New MRC Impact
\$271,614.78	(\$94,252.00)	\$175,049.57
\$254,252.09	(\$150,271.45)	\$103,892.01

### UNE-P Reconciliation Financial Summary

ILLINOIS

State	ACNA/CLEC	USOCs Added	USOCs Deleted
IL			
	LOA - AT&T	2,016,527	12,233
	TPM - TCG	332,491	14,607

Circuits Added	Circuits Deleted
3,529	2,803
13,744	4,040

OC&C Debits	OC&C Credits	Net OC&C
\$87,440.77	(\$148,923.08)	<b>(\$61,482.31)</b>
\$1,719,704.42	(\$457,344.28)	<b>\$1,262,360.14</b>

New MRC Debits	New MRC Credits	New MRC Impact
\$54,613.99	(\$42,166.21)	\$12,447.78
\$177,546.75	(\$50,197.36)	\$127,349.39

### UNE-P Reconciliation Financial Summary

INDIANA

State	ACNA/CLEC	USOCs Added	USOCs Deleted
IN			
	LOA - AT&T	64,924	681
	TPM - TCG	9,126	144

Circuits Added	Circuits Deleted
80	103
85	38

OC&C Debits	OC&C Credits	Net OC&C
\$5,990.53	(\$6,452.08)	<b>(\$461.55)</b>
\$1,071.62	(\$1,034.03)	<b>\$37.59</b>

New MRC Debits	New MRC Credits	New MRC Impact
\$2,718.24	(\$2,896.15)	(\$177.91)
\$842.36	(\$402.66)	\$439.70

### UNE-P Reconciliation Financial Summary

MICHIGAN

State	ACNA/CLEC	USOCs Added	USOCs Deleted
MI			
	LOA - AT&T	2,237,541	23,144
	TPM - TCG	168,236	10,204

Circuits Added	Circuits Deleted
9,756	5,557
5,120	2,857

OC&C Debits	OC&C Credits	Net OC&C
\$430,470.67	(\$485,536.97)	<b>(\$55,066.30)</b>
\$213,419.49	(\$275,295.46)	<b>(\$61,875.97)</b>

New MRC Debits	New MRC Credits	New MRC Impact
\$134,127.57	(\$75,513.07)	\$58,614.50
\$57,076.64	(\$31,665.67)	\$25,410.97

### UNE-P Reconciliation Financial Summary

OHIO

State	ACNA/CLEC	USOCs Added	USOCs Deleted
OH			
	LOA - AT&T	1,326,501	7,885
	TPM - TCG	107,058	3,842

Circuits Added	Circuits Deleted
4,461	1,570
3,273	1,039

OC&C Debits	OC&C Credits	Net OC&C
\$107,768.81	(\$56,358.78)	<b>\$51,410.03</b>
\$303,214.98	(\$89,554.78)	<b>\$213,660.20</b>

New MRC Debits	New MRC Credits	New MRC Impact
\$62,579.61	(\$29,668.26)	\$32,911.35
\$34,739.79	(\$11,528.79)	\$23,211.00

### UNE-P Reconciliation Financial Summary

WISCONSIN

State	ACNA/CLEC	USOCs Added	USOCs Deleted
WI			
	LOA - AT&T	1,723	7
	TPM - TCG	4,545	94

Circuits Added	Circuits Deleted
13	1
110	25

OC&C Debits	OC&C Credits	Net OC&C
\$835.03	(\$143.07)	<b>\$691.96</b>
\$1,340.95	(\$669.19)	<b>\$671.76</b>

New MRC Debits	New MRC Credits	New MRC Impact
\$212.68	(\$27.76)	\$184.92
\$1,409.24	(\$457.52)	\$951.72

## Attachment 3



Cynthia L. Mahowald  
Vice President and  
General Counsel

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February 15, 2003

Michael Hirrel, Esq.  
Telecommunications Task Force  
Antitrust Division  
U.S. Department of Justice  
1401 H Street NW, Suite 8000  
Washington, DC 20530

Re: Michigan 271 Application, WC Docket No. 03-16

Dear Mike:

Pursuant to your request, attached is a response to your questions on the CABs reconciliation. Please let me know if you have any questions or need any additional information. I apologize for the delay in providing you with this information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Cynthia", followed by a horizontal line and a small flourish.

Enclosure

cc: Brent Marshall  
Layla Seirafi-Najar

As discussed in the Affidavit of Michael Flynn, in October 2001 SBC Midwest completed a conversion process to consolidate billing for UNE-P charges into CABS.<sup>1</sup> As a final quality assurance measure, in January 2003 SBC Midwest conducted a comparison of its CABS UNE-P billing records with the ACIS provisioning records for those same UNE-P lines.<sup>2</sup> The bulk of the results of this one-time reconciliation will appear in CLEC bills for February.

In the aggregate, approximately 76,000 UNE-P circuits were added and 62,000 UNE-P circuits were deleted from billing for 37 CLECs operating in Michigan. The addition and deletion of UNE-P circuits resulted in the issuance of approximately \$9.3 million in credits and \$7.6 million in debits (with a net impact of \$1.7 million in credits) to the impacted CLECs. Prospectively, SBC Midwest estimates that the addition/deletion of UNE-P circuits will result in an aggregate increase in billing for monthly recurring charges of approximately \$220,000 (or less than 1.4% of total UNE-P Michigan billing for December 2002). SBC Account Team representatives have contacted impacted CLECs to provide the results of the reconciliation and to work with them to resolve any outstanding issues.

Before the reconciliation, the provisioning (ACIS) and billing (CABS) records for the "added and deleted" UNE-P circuits referenced above did not match.<sup>3</sup> As a result, new service order activity on those circuits sometimes could not post mechanically, and would fall out for manual handling. Now that the ACIS and CABS records have been synchronized, future service order activity for these UNE-P circuits should post without need of manual handling, and billing inaccuracies resulting from the lack of synchronization between ACIS and CABS on these UNE-P circuits should be eliminated. Further, the database reconciliation should resolve disputes filed by CLECs for billing inaccuracies related to lack of synchronization between ACIS and CABS for the UNE-P circuits in question.

Also, the BearingPoint Test for UNE-P confirmed that SBC Midwest's CABS system is producing accurate and complete bills for UNE-P. See *BearingPoint Final Report test points 9-26 and 9-29 at pages 1009-1010* (Appendix C Tab 114). In test reports produced by BearingPoint for the states of Illinois, Ohio and Wisconsin subsequent to the migration of UNE-P billing to CABS, BearingPoint determined that SBC Midwest posts UNE-P service orders to CABS in a timely manner, and that UNE-P billing produced by CABS is complete and accurate. These results apply equally to Michigan.

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<sup>1</sup> See, Affidavit of Michael Flynn, ¶ 4, fn. 4 (Flynn Affidavit). This project was undertaken at the request of the CLECs. Prior to the conversion, UNE-P switch port charges were billed out of RBS, while UNE-P loop charges were billed out of CABS.

<sup>2</sup> See, Flynn Affidavit, fn. 6.

<sup>3</sup> UNE-P service orders first post to ACIS, and then post to CABS. See, Flynn Affidavit, ¶ 9.

## Attachment 4



**Sarah De Young**  
Division Manager  
Local Services and Access Management

Room 2107  
785 Folsom Street  
San Francisco, CA 94107  
Phone: 415 442 5506

**February 24, 2003**

**By Email, Fax and First Class Mail**

**Mr. Thomas Harvey**  
Vice President – Industry Markets  
SBC Corp.  
350 N. Orleans  
Floor 3  
Chicago, IL 60654

**Dear Thomas,**

This letter is sent to notify SBC that, pursuant to Section 28.2 of the AT&T/Ameritech Michigan Interconnection Agreement (and similar provisions in the other Midwest region states) AT&T disputes any and all claims for additional UNE charges related to SBC's recent, industry-wide billing "data bash" to rectify errors caused by Ameritech's repeated failures to provide timely line loss notices in the SBC Midwest (Ameritech) region.

As you well know, SBC's systemic failure to provide accurate, timely and complete line loss notifications has been a problem that has plagued AT&T since it has entered the local markets in the Ameritech region. Instead of fixing the problem, however, SBC has simply generated a litany of excuses and applied a series of ineffective band-aid type solutions, the result of which is that line loss notices problems continue to this day. SBC's "data bash" is the latest in a long line of problems associated with the line loss notification.

As Shannie Marin of my organization and Cathy Wyban of the Account Team have discussed, the one-page spreadsheet that SBC produced to AT&T, which consists of nothing but the bottom-line results of the "data bash", is clearly inadequate. As of yet, SBC has provided no underlying documentation whatsoever to support its claims regarding the amounts owed, and has nevertheless stated that the debit amounts will appear on next month's wholesale bill. It also appears to be inaccurate. For example, for AT&T/Illinois, 2,016,527 USOCs were added to the billing, yet only 3,529 circuits were added, which implies that over 501 USOCs were added per circuit. Cathy's email attempting to explain this discrepancy (attached) seems to imply that SBC altered accounts not affected by late line loss notices, which if true, only adds confusion in trying to decipher this already-confusing data.



February 24, 2003 Letter to Thomas Harvey  
Page 2

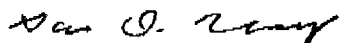
But even if this documentation was more adequate and credible, the basic premise underlying the "data bash" -- that SBC is entitled to collect any underpayments to it as a result of its failure to generate accurate and timely line loss notifications -- is severely flawed. Under the applicable ICAs, SBC has an obligation to provide AT&T with an accurate and current bill. See, e.g., Michigan ICA § 27.8. SBC's repeated failures to provide timely and accurate LLNs has caused it to be in breach of these ICA provisions. And as has been documented and discussed in multiple industry forums, these failures have had a material adverse effect on AT&T, adding significant costs to AT&T's local operations and injuring AT&T's reputation in the marketplace.

To add insult to injury, AT&T recently learned that SBC also intentionally withheld Billing Completion Notices (BCNs) to AT&T while it was conducting its "data bash" without CLEC knowledge or concurrence. As you know, delayed BCNs cause significant and additional harmful effects on AT&T's local operations.

Finally, I understand that Cathy Wyban has inexplicably advised Shannie Marin that AT&T has "given up" its right to settle or negotiate this issue further. As a result, AT&T plans to withhold payments on future wholesale bills to avoid paying these improper and unjustified charges. AT&T also reserves its rights to challenge the Monthly Recurring Charge (MRC) adjustments, as well as adjustments to usage billing, that SBC alleges are also due as a result of late line loss notices.

Please let me know if you have questions or need additional information regarding these issues.

Sincerely,



Sarah DeYoung  
Division Manager –  
Local Services and Access Management

cc: Bill West, AT&T  
Bill Myers, AT&T

## Attachment 5

VIA EMAIL AND U.S. MAIL

Becky Krost  
Director-Industry Markets

SBC Telecommunications, Inc.  
311 S. Akard, Rm. 651  
Dallas, TX 75202-5398  
Phone 214 464-3757  
Fax 214 858-0281



February 28, 2003

Ms. Sarah DeYoung, Division Manager  
Local Services and Access Management  
AT&T  
127 Firestone Dr.  
Walnut Creek, CA 94598

Dear Sarah:

This is in response to your letter of February 24, 2003. This letter outlined AT&T's dispute of additional UNE charges related to SBC's recent "data bash" related to "line loss notices" in SBC Midwest. As we discussed earlier this week, the recent "data bash" was not related to line loss notices but was the final phase of the UNEP CABS Billing Conversion Project. The CABS conversion effort was originally initiated by the CLEC community to establish billing consistency between SBC regions.

In an effort to give some background on this issue, SBC Midwest first notified the CLEC Community of this project in May 2001 through Accessible Letter (AL) CLECAM01-148. Continual updates and information on this project were provided through additional Accessible Letters, conference calls and CLEC Forums. For your reference the AL's were CLECAM01-189, CLECAM01-397, CLECAM02-017, CLECAM02-163, and CLECAM02-509. As outlined in AL CLECAM02-509, the final reconciliation of the CABS billing database for UNE-P was to be performed in January 2003. This reconciliation ensured the synchronization of the CABS billing and provisioning databases.

In June 2002, the non-billable UNE-P features had been removed from the CABS Customer Service Records. AL CLECAM02-163 announced this temporary removal and AL CLECAM02-509 advised that the non-billable features would be reinstated during the reconciliation in January 2003. This reinstatement of the non-billable UNE-P features back to CABS is the reason you noticed the large number of USOCs. Since these USOCs were applicable to all circuits, comparing the total numbers to only the net circuits added would not be accurate. There was no financial impact from the reinstatement of these features.

The supporting documentation for the net charges was provided to Shannie Marin and included the individual telephone number of all circuits either inserted or deleted as a result of the reconciliation project and a list of the USOCs that were used for the comparison. This list included the standard list of USOCs that could apply to any UNEP circuit. The detail for each circuit, including the actual USOCs and applicable dates, appears on the OC&C portion of the bill. As you know this project only adjusted applicable Monthly Recurring Charges (MRCs) and no Non-recurring Charges (NRCs) were applied.

As to your comments on the Billing Completion Notices, I understand this issue is being addressed by our OSS Team. I hope this clarification that the recent billing in question was associated with UNE-P CABS Billing Conversion Project and not line loss notices is helpful. If there are any further questions, please let me know.

Sincerely,